



Revolving Loan Fund/Housing Committee Minutes
Thursday, November 10, 2011

PRESENT: John H. Tramburg, Robert Westby, Andy Ross, Robert Hamele, and Mark A. Witt

ALSO PRESENT: Lois Schepp; Mark Zimmerman; Shonna Neary; Pat Beghin; Laurie Lindell and Fred Hebert (Community Action Council); Kent Fish (General Engineering); John Bluemke; Mark Zimmerman; Gwen Farber; Lucas Berg; Courtney Hoffmann; Shonna Neary; Larry Alsum, Jan Braaksma, and Wendy Dykstra (Alsum Farms & Produce); and Randy Paulson (M & I Bank)

The meeting was called to order at 11:54 a.m. and was properly noticed and published.

MOTION: On motion by Westby, second by Ross, the agenda was approved.

MINUTES

MOTION: On motion by Ross, second by Westby, the minutes of the September 15, 2011 RLF/Housing Committee were approved. Witt abstained.

2010 FLOODING CDBG-EAP APPLICATIONS

Emergency Management Director Pat Beghin, Planning & Zoning Director John Bluemke, Laurie Lindell and Fed Hebert (CAC), and Kent Fish (General Engineering) joined the meeting to review three (3) CDBG-EAP projects from the 2010 flooding event.

Project #2 This property is located in the Town of Dekorra, in a “flood fringe” area. The original project was approved at the September 15th RLF/Housing Committee meeting, subject to variance approval from the Board of Adjustments. In order for the building to be in compliance, additional fill and site work had to be done, costing an additional \$9,624.

MOTION: On motion by Witt, second by Hamele, Project #2 was approved as amended.

Project #5 The property is located in the Town of Dekorra. The estimated cost of repair (\$77,453) will exceed the 50% of fair market value cap. However, because the property is located in a “flood fringe” area, it is allowable under program guidelines. The project includes picking up the house, moving it away from the river and flood plain, completely flood-proofing the home, replacing drywall, flooring, and installing drain tile.

Planning & Zoning Director John Bluemke stated the project will require zoning approval to make sure it meets requirements. Zoning, sanitary, and shoreland/wetland permits will be needed, adding \$700 to the estimated project cost.

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Project #5 (continued)

MOTION: On motion by Ross, second by Hamele, Project #5 was approved as amended for a total of \$78,153

Project #6

The property is located in the "flood way" of the Town of Caledonia. The estimated cost to repair the property is more than 50% of its fair market value of \$54,800. As a result, the repairs cannot be funded by the CDBG-EAP program. Community Action Council is recommending that the property be bought out and the owner relocated. An amendment to the CDBG-EAP contract and approval from the State would be required before proceeding.

MOTION: On motion by Westby, second by Ross, proceeding with the buy-out process was approved.

Schepp stated that once the final amounts are known, she will move forward with the contract amendment.

CLOSED SESSION

MOTION: On motion by Hamele, second by Westby, and a unanimous roll call vote, the Committee adjourned into closed session at 12:19 p.m. to deliberate and negotiate the investment of public funds (Revolving Loan Funds) per Wis. Stats., Section 19.85 (1)(e). [Review FRSB Loan Repayment Terms for Various Businesses and Review/Approve Loan Applications]

If the Committee goes into closed session, it will return to open session.

ROLL CALL VOTE: Ayes: 5, as follows: Witt, Westby, Hamele, Ross and Tramburg
Noes: 0

OPEN SESSION

MOTION: On motion by Ross, second by Witt, the Committee reconvened in open session at 1:16 p.m. The roll call vote was unanimous.

REVIEW FRSB LOAN REPAYMENT TERMS FOR VARIOUS BUSINESSES

The Committee reviewed the payment options for FRSB Loans.

Original four repayment options for FRSB loans:

- Repay full amount when due
- Two (2) year loan at 4%
- Five (5) year loan at 5%
- Seven (7) year loan at 6%

If the FRSB loan recipient cannot meet one of the original terms, the following two options are available:

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REVIEW FRSB LOAN REPAYMENT TERMS FOR VARIOUS BUSINESSES, CONTINUED

ADDITIONAL OPTION #1:

- Minimum \$10,000 principal payment towards loan
- For year 2011, no interest assessed on the remaining balance
- Loan to be re-evaluated by the Committee in 2012

ADDITIONAL OPTION #2:

- No 2011 payment due
- Interest will be accrued for one (1) year at 4%
- Loan to be re-evaluated by the Committee in 2012

Mark Zimmerman provided an update on the FRSB (Flood Relief for Small Business) Loan Program.

The Committee extended Additional Option #2 to the following businesses:

- Deer Creek Campground LLC
- Berg Builders

MOTION: On motion by Witt, second by Westby, the Committee extended the following payment option to Kids First Preschool and Childcare:

- Make initial payment as outlined in Additional Option #2
- Capitalize outstanding interest with remaining loan balance
- New payments based on adjusted amortization schedule

Schepp outlined issues with businesses not responding to loan payment correspondence.

MOTION: On motion by Witt, second by Hamele, the Committee approved the following procedure for loans of non-responding businesses:

- Send three (3) payment notices (one per month)
- On third notice inform the client that they have ten (10) days to respond or the County will proceed with legal action

REVIEW/APPROVE LOAN APPLICATIONS: ALSUM FARMS & PRODUCE

The Committee reviewed a loan application from Alsum Farms & Produce.

MOTION: On motion by Westby, second by Witt, the Committee approved the loan/corresponding resolution for the Alsum Farms & Produce expansion project and new equipment, including the following loan terms:

- Amount: \$600,000
- Term: 10 Years
- Interest: 3%
- Collateral: 1st Lien on Equipment
Personal Guarantee of Owner

Owner Larry Alsum will be present at the November 15th County Board meeting to answer questions about his company and the upcoming project.

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ADJOURNMENT

MOTION: On motion by Westby, second by Witt, the meeting was adjourned at 1:20 p.m.

Next Meeting: December 8, 2011

Respectfully Submitted:

Robert L. Hamеле, Secretary

Cindy Devine, Recording Secretary

cc: RLF/Housing Committee
Lois Schepp
Joseph Ruf III
Susan M. Moll
Internet